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SUBJECT: MINISTER OF INDUSTRY AND COMMERCE APPLAUDS U.S.
COMMERCIAL LAW PROGRAM

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1. Minister of Industry and Commerce Hassan Fakhro met with Ambassador Monroe, Commercial Law Development Program (CLDP) Attorney Advisor James Filpi and International Trade Specialist Kamlesh Shah March 15 to discuss CLDP's progress in Bahrain. Filpi told Fakhro he had met with Economic Development Board Deputy CEO Dr. Zakariya Hejris that morning and that Hejris had expressed interest in seeing CLDP review Bahrain's commercial code and support small and medium-sized enterprises (SMEs) with FTA workshops tailored to Bahrain's business and legal communities.

2. "I welcome it," Fakhro responded. "I am full of praise for you and your efforts." Fakhro said maximum attention should be given to small investors in Bahrain and that, in view of their relative rates of return on investment and job creation, development of SMEs merited top priority. Fakhro said that approved industrial sector investments in 2004 of USD 450 million had doubled in 2005 to roughly USD 900 million. He said aluminum, plastics, and petrochemical companies saw the majority of this investment and that most were SMEs. He added that further growth could be spurred by increased availability of gas. (Note: Local AmCham President and chairman of Al Zayani Investments Khalid Al Zayani told the Ambassador that a major factor contributing to the increase in investment was that Alba's new leadership had taken the decision to switch from exporting all aluminum to selling, as supported by demand, to the domestic market. He said he had taken advantage of the sudden domestic availability of aluminum product to source a factory of his that makes and exports aluminum-based cable. End Note.)

3. Fakhro said he anticipated the passage of a revised Companies Law that would promote commercial development and foreign direct investment in Bahrain. He expected the revised law to be copied by Bahrain's neighbors and said he hoped it would lead to further commercial development in the region.

MONROE